

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7398

BILL NUMBER: HB 1326

NOTE PREPARED: Jan 26, 2005

BILL AMENDED: Jan 25, 2005

SUBJECT: CHOICE Funding.

FIRST AUTHOR: Rep. Becker

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that money appropriated but not spent in a fiscal year for the Community and Home Options to Institutional Care for the Elderly and Disabled Program (CHOICE) does not revert to the state General Fund and may be used in subsequent fiscal years for certain programs.

Effective Date: July 1, 2005.

Explanation of State Expenditures: (Revised) The bill creates the CHOICE account as a nonreverting account within the General Fund. Money remaining in the account at the end of a state fiscal year is to be annually appropriated for CHOICE administration and services, depending upon the number of persons on the CHOICE waiting list.

Appropriation and reversion experience within the existing CHOICE account is presented below.

Fiscal Year	CHOICE Appropriation	Medicaid Waiver Transfer from CHOICE	Reversion to the General Fund
FY 2005	\$ 48,673,544	\$ 5.6 M	NA
FY 2004	\$ 48,673,544	\$ 6.0 M	0
FY 2003	\$ 48,483,904	\$ 6.0 M	\$ 5.5 M
FY 2002	\$ 48,483,904	\$ 5.6 M	\$ 2.7 M
FY 2001	\$ 42,623,785	\$4.9 M	0
FY 2000	\$ 42,623,785	\$ 4.9 M	0
FY 1999	\$ 37,482,455	\$ 4.9 M	0

The fiscal impact of this bill would be dependent upon administrative decisions made by the State Budget Agency, the Family and Social Services Administration, or the State Board of Finance. The nonreverting status of the account created by this bill does not guarantee that the CHOICE program would be permitted to increase the base level of services provided above the level budgeted and considered sustainable; or that the funds would remain available to the program for expenditure over time. Appropriations must be allotted by the State Budget Agency, the Family and Social Services Administration also may request the State Budget Agency to transfer funds within the Agency, and the State Board of Finance may transfer unused funds to the General Fund or to other agencies.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, Division of Disability, Aging and Rehabilitative Services and the State Budget Agency.

Local Agencies Affected: Area Agencies on Aging.

Information Sources: Auditor's Data Base, Spending Trial Balance and Allotment and Appropriation Trial Balance, and General Fund Reversion Summaries for SFY 1999-2004, State Budget Agency.

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